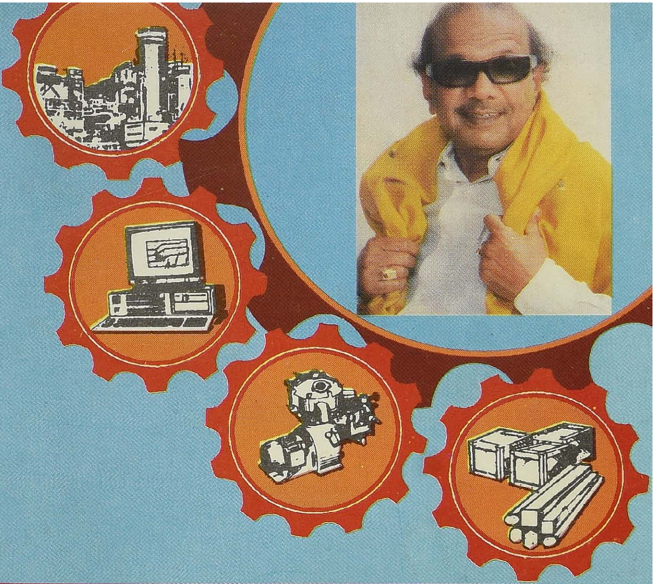

TAMILNADU ON THE MOVE

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Hon'ble Chief Minister's reply to the debate
on the demand of Industries Department
in the Tamil Nadu Legislative Assembly
held on 23.4.1997

Information and Public Relations Department
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Tamil Nadu on the Move

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PREFACE

Tamil Nadu has traditionally been in the vanguard of industrialisation in India. Being endowed with a very diversified industrial base and comparatively strong infrastructural facilities, the State recorded commendable industrial progress in the past. But in recent years, the lack of farsighted and sincere approach and the pursuit of wrong policies and goals plunged the State into the backwoods of Industrial Development.

Now, opportunity is again knocking at our doors. The Government of Tamil Nadu have announced their intention to give the maximum importance to industrial development, with a view to reduce unemployment and to develop our backward areas. Tamil Nadu would like to make use of this opportunity and encourage investments in our State by all - Foreign multinational companies, Non-resident Indians, Indian companies, Co-operative Societies, Small entrepreneurs and even by small artisans. We wish to simplify our rules and regulations and speed up our decision making process and make their task easy and smooth. Thus, the basic objectives of the new policy will be to :

- ❑ Regain for Tamil Nadu its days of glory as the most industralised State in India;
- ❑ Market Tamil Nadu as the preferred destination for investment in India and abroad;
- ❑ Plan, create and offer world-class infrastructure for industrial entrepreneurs;
- ❑ Dismantle barriers to investment and simplify rules and procedures;
- ❑ Set in motion a process of development which is ecologically sustainable;

- ❑ Ensure a transparent and investor-friendly administration;
- ❑ Harness the vast human-resource capital in the State.

The Government believes that competing with other States by offering more and more incentives alone will be not useful. Instead, we would concentrate on strengthening of the power generation capacity and the transmission and distribution arrangements, improving our road network, bringing in the most technologically advanced Telecom facilities, opening new ports and developing the existing ports, strengthening the technical training facilities and speeding up the broadguage conversion of our rail lines.

As soon as this Government came to power, it reviewed the situation and it was disappointed to find that even after 1991 when the Government of India liberalised the Industrial licensing regulation and decentralised many sectors of industry, Tamil Nadu could not attract as much investment as many other States in the Country were able to do. The reasons were analysed and it was found that the State Government had omitted to strengthen the infrastructure facilities (for example, no new major power projects was taken up for construction after the previous DMK Government took up the North Madras Power Station) and to convince investors that their policies were transparent. The Government therefore declared that all decisions would be taken in the most transparent ways, that this Government would follow industry-friendly policies, that decisions would be fast and that strengthening of infrastructure would be the area of extreme focus.

In tune with this policy, the Government set about implementing a vigorous plan of action. The area taken up first was strengthening of the Infrastructure. The Department of

Industries decided to assist the Tamil Nadu Electricity Board in its efforts to create additional power generating capacity, at the earliest. It was noticed that no new generating station was likely to be commissioned during the next 3 years. At the same time, the demand for electricity would steeply increase. Will there be a power famine? A string of liquid fuel based power stations which can be commissioned in 2 years' time was the answer. TIDCO promptly floated global tenders for 20 short gestation power projects. In the private power project scenario, where the signing of MOU's without any transparency was the order of the day during the previous regime. This tender was a refreshing instance which demonstrated that the Government was committed to total transparency. Eleven of these projects were already awarded strictly according to the norms and nine of them have been tendered again.

We realised that providing developed land, with all infrastructural facilities, is very important, if we are to attract industries to Tamil Nadu. So, we embarked upon an ambitious scheme for developing more Industrial Complexes. The first Industrial Complex taken up was SIPCOT's Irungattukottai Complex. The plan was to acquire about 1750 acres of land on the Madras-Bangalore National Highway and develop it into an Industrial Complex for Automobile Engineering and Auto-component Industries. M/s. Hyundai Motor Company from Korea agreed to establish their car manufacturing facility in a 540 acre plot here. This would be their biggest auto plant after their 1.5 million cars per annum plant at Ulsan, Korea. The Government of Tamil Nadu were able to acquire the land and place the same at their disposal in the incredibly short period of 4 months, after complying with all the land acquisition procedures - perhaps the fastest ever land acquisition job in the 100 year history of the Act.

Other new Industrial complexes are fast getting established at Thiruperumbudur, Sunkuvar Chatram and near Coimbatore, Cheyyar, near Ranipet and near Singaperumalkoil. SIPCOT will acquire about 10,000 acres of land for the various new Industrial Complexes.

TACID, another State Undertaking has identified 1500 acres for acquiring and developing them as Growth Centres. The aim is to provide all these centres with world class infrastructure facilities.

A Petrochem Park over a 7000 acre area near Ennore would be developed by TIDCO. This complex will have a tank terminal which can store the imported petroleum products. The first L.N.G.(Liquefied Natural Gas) terminal in India is also expected to come up here, bringing in 2½ million tonnes of LNG per annum to start with, along with a downstream 2500 MW power station.

Electronics Software and Hardware industry is another thrust area. The Electronic Corporation of Tamil Nadu has on its part come forward to launch a High-Tech Electronics Industrial Complex on a 200 acre plot, south of Chennai. Tenders have already been floated to select the Developers. A techno park in cooperation with the Bharathiyar University at Coimbatore is also being tendered shortly.

Several administrative decisions were taken for cutting out red-tape and speeding up decisions. In the area of mineral policy, the Government abolished the much abused Rule 39 of the Mineral Rules and boldly reintroduced the Tender-cum-auction system, thus highlighting its commitment to pursue policies designed to serve the public interest. A new legislation has been presented by the Chief Minister in the Tamil Nadu Assembly, for ushering in, an effective Single Window Clearance

Mechanism for new industries coming up in the Industrial Complexes in the State. This bill has since been passed by the Assembly.

All these efforts on the part of the Government of Tamil Nadu have attracted new investment proposals both from India and abroad. Apart from M/s.Mahindra Ford and Hyundai, Mitsubishi of Japan, which is setting up a Car plant to manufacture their Lancer model, has also selected Tamil Nadu as its home in India. While competing with each other both M/s.Pilkington of U.K. and Saint Gobain of France have zeroed in on Tamil Nadu sites. Major industrial groups like Matsushita Industries and Fujikura of Japan, Kumho Tyres of Korea, Iveco of Italy in association with Ashok Leyland have also signed up with us.

Today, Tamil Nadu has begun to be looked upon as the most preferred investment location in the country. The two pronged approach - strengthening of Infrastructure and introducing of transparent decision making process - has started paying dividends. The mood is upbeat. The new momentum and dynamism introduced by the new Government during the last few months is sure to take Tamil Nadu again to the frontline!

P.C. CYRIAC, I.A.S.,
Secretary to Government,
Industries Department,
Government of Tamil Nadu.

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on the demand of Industries Department
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Honourable Mr.Speaker,

On the basis of the Policy Note and the other papers presented by me earlier, in respect of the Budget Demand for Major Industries Department many leading members of the Opposition and the Ruling Party and its allies, have already given their valuable and positive comments. Now, I am on my feet, with a view to explaining the various measures taken by this Government so far, for the growth of Industries in Tamil Nadu. I am gratified to get the opportunity to inform this august Assembly about the new schemes to be taken up by the Government.

But before that, I should refer to the comment made by Thiru.Azhagiri, Member of our Assembly belonging to the Tamil Maanila Congress Party, who initiated the discussions. He began his speech stating that he was speaking with a heavy heart and felt that I too would be sitting with a heavy heart. Perhaps, the word 'heavy' found its way to his mind as we were to speak about heavy industries. As for me, I never like to make my heart heavy, nor have I made it heavy at any time, for it is with the borrowed heart of my mentor, Anna, which was the heart which can bear anything that I am leading my public life, especially my life in the political arena.

In the screenplay of the movie 'Poompuhar', I had written that it was when the conscience fell asleep that the mind would start

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wandering. If this is remembered not only by me, but by all, truth will not remain in the dark, for long. It will come out. Just as darkness cannot cover the sun for ever, truth also will certainly triumph.

The two opinions put forth in the speeches of both Thiru. Azhagiri and Thiru. Abdul Latheef, the leader of the Indian National League are acceptable. Though Thiru. Latheef especially was commenting more on politics than on the Industry Demand, one has to concede the points made by him that we all subscribe to the need for forming a secular Government and the need to keep alive the democratic form of Government in India. Therefore, it is my duty to thank the beloved member Thiru. Azhagiri, who began the debate and my dear friend, Thiru. Abdul Lateef, who also expressed some views.

While speaking about the Department of Industries, both Thiru. Mani, who spoke on behalf of the Marxist Communist Party and Thiru. Subbarayan, who spoke on behalf of the C.P.I. emphasized the view that in Tamil Nadu, the public sector undertakings should be further encouraged and wanted Government's action for that. One should not forget the fact that in the Policy Note placed on the Table of the House itself, I have stated that in Tamil Nadu, at present, 13 Central Public Sector Undertakings with a capital investment of over Rs.20,000 crores are already functioning and that the Government of Tamil Nadu will press the Central Government to implement certain expansion schemes in the region like Neyveli Lignite Corporation, Madras Refineries Limited, Salem Steel Limited and Indian Rare Earth Limited at an outlay of Rs.16,000 crores immediately. So, everybody can feel confident that while encouraging the private enterprise in tune with the new economic policies and while nurturing the joint sector and associate sector

industries, which the DMK Government have promoted, we shall certainly give the public sector also a pride of place.

Thiru. Azhagiri said that in respect of exports, we were not in a happy position; in particular, he referred to the figures of newsprint and paper exported by the Tamil Nadu Newsprint and Papers Limited and stated that the export earnings of this Company were less by Rs.10 crores, this year. This is true. As the prices of newsprint and paper in Foreign countries were very low, we had less motivation to export. I would also like to refer to the article published in the leading daily 'The Hindu' dated 19-4-97, which has quoted the World Trade Organisation's statistics; pointing out that the volume of business transacted in the World Import-Export trade had come down during 1996-97. The total value of goods traded in 1995-96 was $5100 million. This meant that the values of Exports had registered a 5% drop during this year, as against the 14% growth it had shown last year.

In particular, Exports from Asia have come down; the Exports from the developed countries like Japan, Taiwan and South Korea have also come down. According to those figures, India's Exports attained a growth of only 6% as against the goal of 7%. In short, the world Import-Export trade has come down drastically; India's Exports have also not gone up to the extent targetted. But the exports from Tamil Nadu, in general, have not fallen like that. However, I would like to tell Mr.Azhagiri and others that we would strive hard to increase the Exports from Tamil Nadu, in future.

We cannot forget the fact that about 16% of the total exports from India is accounted for by Tamil Nadu; at the same time, the population of Tamil Nadu is only 6% of India's total population.

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Our main export products are cotton yarn and textiles, Leather products, hosiery etc.

Thiru. Azhagiri made another charge. It was about SIPCOT. He alleged that it behaved like a 'shylock' and referred to the case of the Cuddalore Company, M/s.Coromandel Polybags. When I enquired about this Company, I was told that SIPCOT had advanced a sum of Rs.45.50 lakhs, which had swelled to the figure of Rs.117 lakhs along with the interest and penal interest, as the loan was not repaid. I don't think SIPCOT acted in a mean fashion, in conducting the sale of the defaultor Unit by tender. The money loaned and the interest on it were not returned. Even the agreements made after discussions were not kept up. In these circumstances only, SIPCOT was forced to take legal action.

I find that a wrong propaganda is being carried out in the Country, questioning whether the Industries Sector in Tamil nadu had grown under the DMK administration, after 1967. The clarifications I give now, about this issue, would not hurt the feelings of anyone, I hope. After 1967, in respect of major projects like the 'Turicorin Harbour Scheme and Neyveli Lignite Corporation, the DMK Government had pressed the Government of India consistently, to take up their expansion schemes which would increase their turnover/production as well as the employment opportunities. The State Government had also given all necessary assistance for these projects. It is well known that it was the DMK Government which fought with the Centre and managed to get the projects like the Second Mine Cut of Neyveli and the Salem Steel Plant, implemented. None can forget that the Rs.2000 Crore SPIC Fertilizer Plant at Tuticorin, which has grown to world scale, was set up only during the DMK administration.

Similarly, the DMK Government, which believed that the public sector units alone cannot bring about the Industrial Development of Tamil Nadu, recognised the need for encouraging the enterprising private promoters also. For this purpose, the Government decided that Industrial Complexes should be built with all the infrastructural facilities and the developed plots should be allotted to private enterprises at reasonable cost. It also decided to make available term loans and capital subsidies for the private industry. It was the DMK Government, which set up in 1971, the SIPCOT which sought to make available to the Industry all the basic infrastructural facilities and finance at the same counter and which set up several Industrial Complexes. One such complex was the Ranipet Industrial Complex. By 1973, at that Complex, 107 new Industries at a total outlay of Rs.168 crores had come up. When the DMK came to power, we had heard about the land kept vacant at Ranipet. At that time, Thiru S. Madhavan, who was the Industries Minister, told me that this area was acquired during the previous Congress administration for setting up an Industrial Estate and that since the Estate could not be established, they had planned to drop the proposal and sell the land. Subsequently, the then Industries Minister and myself visited the place accompanied by the officers. We then decided not to give away the land, but to set up an Industrial Complex there. The result of this decision is the 730 acre complex and the 107 industries with a total investment of Rs.168 crores.

Again, in Hosur in 1974, during the same DMK administration, a new complex was set up and 186 new industries came up at an outlay of over Rs.500 crores, providing employment for 20,000 people. To improve the employment opportunities in the backward regions of Tamil Nadu, Industrial Complexes were set

up in 225 acres in Manamadurai and in 110 acres in Pudukottai. In addition, the then Government had assisted in setting up private industrial estates in backward areas like Anaikkaranpatti of Ramanathapuram District. In continuation of this, it was again the DMK Government which set up SIDCO in 1971, to provide devoted attention and help to the small scale industries. Though TIDCO was set up during the Congress Administration in 1965 itself, it was during the DMK Government that this organisation set up the Joint Sector Units with 26% Government investment and the Associate Sector Units with 11% Government participation. A large number of new industries came in Tamil Nadu under this approach.

Similarly, it was in 1972 that the nucleus which later developed into ELCOT - Electronic Corporation of Tamil Nadu, was set up; it was an Electronic Cell in the Office of the Directorate of Industries. And in 1975, ELCOT was formally set up. Today, this organisation and its assisted companies have grown into a Rs.200 crores industry. By setting up all these Corporations, it was the DMK administration which paved the way for setting up of many new Industries. Apart from encouraging the entrepreneurs with developed plots and liberal loans, the Government also granted tax exemptions, deferring of sales tax, electricity tariff concessions and subsidies and thus helped many Industries to come up. In 1975, a member of the West Australian Parliament Mr. William Writters visited Tamil Nadu. After his return home, he spoke in the West Australian Parliament:

He spoke of the industrial development in Tamil Nadu. He said, "Tamil Nadu Government have attractive ideas to help industries. The Government apart from taking strenuous efforts to start industries in Tamil Nadu, also provides various

concessions. The concessions include tax exemption for a period of two years to any foreign industry to be started in Tamil Nadu, and concession on power tariffs during the growth period of the newly started industry. I consider this an exemplery work. When we plan for the industrial development of our Country, that is when we plan for the industrial development of West Australia, we should have these points in mind". His open hearted praise was published in news papers at that time.

This shows how there was appreciation, not only in India, but even abroad, of the innovative role played by us here, to promote industrial development. Let me recall here the names of Joint Sector industries promoted by our Government then:-

1. SPIC of Tuticorin.

2. Tuticorin Alkalines and Chemicals Ltd., to manufacture Soda Ash (Ammonium Chloride) using the excess Ammonia available in SPIC.

3. Tamil Nadu Chemical Products Ltd., Karaikudi, to manufacture Sodium Hydrosulphate, required for textile industry.

4. Tamil Nadu Chromates and Chemicals Ltd., Ranipet.

5. Pandian Chemicals Ltd., in Melur Taluk of Madurai District, to manufactuure Potassium Chlorate.

6. Tamil Nadu Chloride and Allied Chemicals Ltd., to manufacture Aluminium Chloride.

7. Tamil Nadu Dada Pharmaceuticals Ltd., Pallavaram, to manufacture drugs.

8. Dynavision Ltd., to manufacture T.Vs.,

9. Maruti Crystals and Salts Ltd., Kovalam, Mamallapuram.

10. Asia Tobacco Ltd., Hosur.

11. Great Sea Trawler Co., near Mandapam.

12. Tamil Nadu Alkaline Batteries Ltd., Ambattur.

13. Asian Bearings Ltd., Hosur.

14. Arakonam Castings and Forgings Ltd.

15. Intercontinental Leather Ltd., Ranipet, manufacturing various leather products.

After this, came the dismissal of our Government.

And now, I wish to tell the Honourable Members, the various steps taken by the next DMK Government between 1989 and 1991.

You are all familiar with the North Madras Thermal Power Station. The land for this project was identified earlier. But nothing concrete was done to acquire it. The landowner had taken the matter to the Court. As soon as the DMK Government took over, we called the landowner, talked to him and persuaded him to withdraw the court proceedings and hand over the land. But in the meantime, the cost of the Project originally estimated at Rs.500 crores had gone upto Rs.1200 crores.

The Ranipet Industrial Complex already functioning, was expanded by acquiring more areas and this paved the way for creating 3400 new jobs there. Similarly, the Hosur Industrial Complex was also expanded acquiring 457 acres of land and promoting projects for an outlay of Rs.1000 Crores which generated 6000 new jobs.

The Gummidipoondi Industrial Complex also was planned to be expanded, acquiring an additional extent of 800 acres. The Government had then planned to develop Industrial Growth Centres of 2000 acres in extent, at Perundurai in Periyar District and at Gangaikondan in Nellai-Kattabomman District. But, then came the dismissal. The DMK Government was being dismissed for the second time.

Was anything done subsequently to implement the schemes announced like developing of Perundurai and Gangaikondan? During the same 1989-91 administration only, new initiatives were taken which resulted in the setting up of Asian Paints Factory (Rs.22 Crore outlay), Tamil Nadu Telecommunications Ltd.(Rs.29 crores) and Tiruchi S.S.Sankara Reddy Associates (Rs.10 crores). The Government had also decided then, to set up a Titanium Dioxide Factory through TIDCO, at an outlay of Rs.140 crores.

It was at this juncture, when the Government was systematically planning and initiating action for Industrial Development of Tamil Nadu, that, as I explained earlier, the Ministry was dismissed for the second time. One feels scared to plan systematically for the Industrial development of the State; whenever we draw up our innovative schemes for Industrial development, they are sharpening their knives!

I have also to mention about the sick industries which were nursed back to good health, during this 1989-91 DMK administraiton. Tamil Nadu Minerals Limited (TAMIN), which was in the red due to administrative lapses was rehabilitated and it made a profit of Rs.4 crores in 1989-90, due to the corrective steps taken by our Government. In respect of the Tamil Nadu Newsprint and papers Ltd., the loss upto 1989 was Rs.49 to

Rs.50 crores. But the DMK Administration revamped the Unit and made it earn a profit of Rs.28 Crores in just one year's time.

I have mentioned about granite policy on several occasions earlier. There was no policy. There was total confusion, and there was planned looting. In 1989, during the DMK administraiton, we studied the issues and drew up proper policies for systematically exploiting the mineral resource in a rational manner and brought in the system of tenders for allotting Government poramboke areas with potential to develop into granite quarries. In the two years, 1989-90 and 1990-91, in 103 locations quarry tenders were floated, covering an extent of 272 hectares and this fetched an income of Rs.20 crores for the Government. But, what happened during the term of the last Government which came after the dismissal of our administration? I have described it in this forum earlier. So, I don't want to go into the details. The tender system was removed. Everyone knows that decision can be taken in a fair, just and rational way, only through the tender system. That is why everyone praises this system. But as soon as the Government under Ms.Jayalalitha came in, they introduced a new rule, Rule 39, giving the go-by to the tender system. As a result, between 1993 and 1996, in 3 years, the income that the Government got from quarry leases was just Rs.5.12 crores. In 1989-90, the tenders conducted by DMK administration fetched Rs.20 crores. Recently, the Vigilance Commission assessed the loss due to the arbitrary award of quarries, without following the tender system and the failure to fix reasonable lease amounts for the quarries, as between Rs.70 to 95 crores. After taking up the reins of administration again in 1996, the DMK Government promptly removed Rule 39 from the Rule Book and re-introduced the tender-cum-auction system.

Similarly, the previous Government had abused Rule 39 and indulged in malpractices in respect of awarding sand and jelly leases also. Here again, this Government have re-introduced the tender system. I have not yet got full details from all districts. But, the reports from Coimbatore District show that during last year, under the previous Government, the income from sand and jelly quarries in Coimbatore district was Rs.2.88 lakhs. This year, it rose to Rs.26.17 lakhs from the same quarries in the same District. You can imagine how much money was looted. Now, as a result of the new leases given through tenders, Coimbatore District would get an income of Rs.67.32 lakhs from this source.

In addition to the looting described above, there was widespread corruption and it sent negative signals to Industralists everywhere, about Tamil Nadu. This miserable scene, presented by Tamil Nadu, under the last Government has been graphically described, not by me, but by an Independent Research Unit. They had published a report "India Unaged" in November, 1995. Under the caption "Seeking opportunities in the South", the report said, "If there is any State with a reputation for corruption, it is Tamil Nadu". Tamilnadu has a reputation for corruption. When was this? In 1995. Who says so? No, not Karunanidhi. It is the Research Report, from the Economic Intelligence Unit. The report said, "The going rate for backhanders in the form of commission is said to be about 10 to 15% of even the project cost". They had conducted research into who fixes deals between the Tamil Nadu Government and the Businessmen and how much these fixers were to be paid. The fame of Tamil Nadu had grown to such an extent that these research findings were published as a Research Thesis. No other proof is needed to confirm this dubious fame of the then Government, here.

Because of this only, this Government has announced that the decisions on its tenders would be taken on a totally transparent manner. Only to make sure that no such defect will creep into our decision making process, only to see that our tenders are decided strictly on correct grounds and with a view to avoiding the Government and people of Tamil Nadu getting such a bad name again, we want to create conditions under which all information about the tenders and the decision making process will be made available to all who seek the same. Our Industries Department is now marching forward in a totally transparent way. For advising the Government on the measures to be taken for Industrial development, we have formed a High Level Committee in which experienced industrialists, senior Government Officers and young entrepreneurs are all represented.

The Industry-friendly policies of the present Government:

Due to the Industry-friendly policies and the totally transparent approach, many new industries are now getting attracted to Tamilnadu. I have already mentioned earlier about some of these new projects which have come up during the last 10 months. But, it is my duty to furnish the consolidated list, on this occasion:

(i) 100% Export oriented Floriculture Project-Hosur-Rs.33 crores. In association with Blooming Meadows Ltd.

(ii) Rs.35 crore outlay-Project to manufacture products using flyash from the Thermal Power Stations-Ennore.

(iii) 100% export oriented buffalo meat processing plant near Pollachi-Rs.169 crores.

(iv) Rs.39 crore scheme for development of Integrated Coconut Processing Plant; near Pollachi.

(v) Pilkington Company of U.K.-setting up a Rs.450 crores glass project at Singaperumalkoil.

(vi) Rs.40 crore project of Tamil Nadu Telecommunications Ltd., to manufacture fibre optic cables.

(vii) Ashok Leyland Ltd., has commissioned at Hosur a new line to make 10,000 cargo trucks, a year-Rs.630 crores.

(viii) Near Chennai Airport, it is proposed to set up an Air Frieght Station, at a 35 acre plot.

(ix) Kumho Tyres Co., of Korea setting up a tyre factory-Rs.350 crores.

(x) Hyundai Motor Co., of Korea-setting up a Rs.2450 crore project at the SIPCOT Complex at Iruungattukkottai.

(xi) Rs.115 crore Carbon black project at the SIPCOT complex in Gummidipoondi-Hitech Carbon Ltd.,

(xii) Rs.320 crore Car project by Mitsubishi of Japan along with Hindustan Motors, Tiruvellore.

About this large scale investments in Industry being made in Tamil Nadu recently, by reputed companies, the famous columnist Mark Nicholson has written in 'Financial Times' of 10th April,1997. He says "Tamil Nadu's Car industry is perhaps the most spectacular result of the race between States to attract foreign investment and develop new industries".

The article commends the efforts of the present Government of Tamil Nadu in successfully competing with other States and securing investments. The article picturesquely describes the scenario, when it says that 'Tamil Nadu does not yet produce one finished car. But within 3 years, new production lines near

Madras will roll out 2,44,000 cars a year".

"I don't think anywhere else in the world at this point offers this level of opportunities to the British Auto-component Industries" says Mr.Bernard Fintlay, International Trade Manager for the British Society of Motor Manufacturers and Traders recently after a reconnaissance in Madras. Since the words of these British experts speak volumes, I need not have to say anything more than just read their statements for proving Tamil nadu's potential in this field.

Next, I will take up the Tamil Nadu Graphite Limited. Our Member from Sivagangai, Thiru T. Krishnan has always been speaking about setting up of Graphite product manufacturing factories. Another person who is most interested in developing the graphite deposits of Sivagangai is Thiru. Chidambaram, who was the Finance Minister in the Central Government and who is again going to occupy that position. A separate company has been registered and detailed studies for identifying the products that can be manufactured are being made now. According to the present estimates, a quantity of 35.41 lakhs tonnes of graphite deposits only are available. The available ore has 14% graphite content. To beneficiate the ore upto 96% purity was our aim. Efforts are being made to achieve this goal.

Let me now turn to certain announcements which I would like to make before this House.

A legislation for effectively implementing the Single Window Clearance for Industries has already been presented before this House. Once this bill becomes an Act, in all the Industrial Complexes, Industrial Townships will be setup and Executive authorities will be appointed to administer these townships. All

the clearances required to be obtained from the different departments for starting an industry in the Township will be issued by this Executive authority itself.

After the District Collector issues the mining leases for removing sand, jelly (blue-metal) and clay seperate transport permits are to be issued for taking away the mined materials. This power to issue the transport permits will be delegated to the local body concerned (Village Panchayat, Town Panchayat or Municipality). The seigniorage fee will be remitted to the local body, who will issue the transport permit. The responsibility to do this will be entrusted to the President of the local body, acting along with the Vice President or another member. It is expected that as the authority is being entrusted with the local body whose functionaries are staying in the local village itself, it would be possible to prevent the smuggling out of sand and jelly and the consequent loss of revenue to the local body.

Very often, new factories which come up find it difficult to get adequately skilled and trained workers in sufficient number. To solve this problem, the Government will liberally allow the setting up many Industrial training Institutes. It is expected that as a result of this, many youngsters will get trained in different skills and secure jobs. I would also like to recall that as soon as this Government took office, it had decided to set up atleast one ITI in each Panchayat Union and that scheme is getting implemented.

The Government have decided to set up in the Associate sector four granite products manufacturing ventures, each of which will be given 50 hectares of quarry land (Total 200 hectares of quarries). To select the Associate sector partners, tenders will be invited soon.

Thiru Subbaraman, MLA, cautioned while participating in the debate today that at the time of setting up of the industry itself, care has to be taken to protect the environment, failing which there could be serious problems later. Just as he said, our industries like leather tanning, textile dyeing, foundry and stone crushing were functioning and releasing their effluents without any concern for the environment. Taking note of this situation only, recently the Courts have issued orders posing problems for the smooth functioning of these industries. To enable these industries to treat their effluents properly and operate normally, this Government have planned to arrange separate areas in suitable Industrial complexes to form Tanning Park, Dyeing Industry Park, Leather Product Industrial Park and Foundry Park separately. Each of these areas will have to be provided with appropriate and specially designed effluent treatment facilities suitable for the particular type of industry.

Electronic Parks-Industrial Parks with high quality telecommunication link-up and other infrastructural facilities will be developed and both hardware and software units will be set up there. These parks will come up at Kelambakkam near Chennai and near Coimbatore. Tenders are being floated now. Two more parks, one near Chennai and one near Madurai will follow.

To generate new employment opportunities for the youth in industry, new industrial complexes are being planned in Chennai suburbs, near the National Highway in Villupuram Ramaswamy Padayachiyar District, in Coimbatore District and in Dharmapuri District.

The future dreams of Tamil Nadu about Electricity are dependent to a great extent on our LNG project (Liquified Natural

Gas). The plan is to set up the LNG terminal at Ennore. LNG will be brought to the terminal by specialised vessels. 2 million tonnes of LNG will be enough to feed the 2500 MW power station to be set up nearby. The LNG received at the terminal will be re-gasified and fed to the Power Station to generate electricity. This project is expected to cost Rs.12000 crores. We are unable to raise the resources for this project to be taken up in the public sector. Therefore, we have to invite experienced and financially strong companies to participate in our tender for this. Already eleven major companies have expressed their desire to participate in the tender:-

1. Mobile LNG, America
2. Shell International Gas, England
3. Coastal Gas Corporation, America
4. Amocco Power Resources Corporation, America
5. Philips Petroleum Co., America
6. Occidental Corporation, America
7. Gas de France, France
8. Total, France
9. Nisho Iwai, Japan
10. Marubeni Corporation, Japan
11. Clough Engg. Group, Australia
12. A Malaysian Company
13. Reliance Power Ltd., Bombay

After the tender is floated, a decision will be taken on the award of the contract to the tenderer who offers to set up all the facilities and supply power at the lowest cost. I am happy to announce that Tamil Nadu is going to get this big project in the near future.

Two satellite cities near Chennai-There is a criticism that all major Industrial Projects are coming up around Chennai only. To avoid congestion in the city, the Government have decided to set up one satellite city on a 2000 acre plot near the Hyundai Car Factory and another satellite city on a 500 acre plot near Singaperumalkoil, near the Ford Car Plant.

You may recall that during the period 1989-91, when the DMK Government was in power, a private sector Hosiery Industrial Complex was planned and promoted at Mudalippalayam, near Tiruppur and completed and commissioned in a short while. In the same way, it is proposed to encourage private sector sponsored Industrial complexes provided with all infrastructural facilities by offering for the industries which come up in these private complexes all the usual incentives applicable for the factories coming up in the SIPCOT/TACID industrial complexes.

The Government have decided to extend special assistance to the industrial units set up to manufacture construction blocks and other products using the fly ash from the Thermal plant sites at Ennore, Neyveli, Mettur and Tuticorin.

Jayamkondam Lignite Project:

This is a long pending issue. Though decided in 1990, due to the inaction of the previous Government this project still remains on paper. The agreements made by the previous Government to award contracts for supply of machinery for the project, without

calling for tenders, have been got cancelled. Now tenders have been floated inviting parties who are experienced in lignite mining and power generation to arrange the mining of 4 million tonnes per year of lignite and generate 500 MW of power and deliver the power at the cheapest possible price. It is expected that this year will see the revival of this scheme.

I am happy to announce that the Singapore Indian Chamber of Commerce & Industry has agreed to function as a window disseminating information to Singaporeans about the potential for business investments in Tamil Nadu. When our delegation, consisting of Government Officers and Industrialists visited Singapore, they conducted discussions on this issue. A Memorandum of understanding is to be signed on this. This move may help in securing more investments from Singapore in Tamil Nadu.

TIDCO's new projects:

In the vicinity of the new Ennore Port, an area about 7000 acres would be acquired for development as a Petrochemical Park.

Reverse Osmosis Plants which will purify the waste water will be set up there to make available the water required by the industries coming up there.

In association with the SKM group, an Egg processing plant (outlay Rs.40 crores) would be set up.

In association with the National Plywood Ltd., and a German Company, a unit to manufacture medium density boards from bagasse would be set up, at an outlay of Rs.150 crores.

Schemes to take up the manufacture of alcohol based chemical products would be taken up.

In association with the Norske Hydro of Norway, a plant to manufacture the PVC resin will be set up. The MOU for this project was signed last month.

At an outlay of Rs.7500 crores, a naphtha cracker and olefin complex would be set up.

In the Chennai Export Processing Zone, at an outlay of Rs.27 crores, a 100% Export Oriented Metal Tube Light fittings manufacturing scheme is under implementation.

To encourage the Floriculture projects coming up in Dharmapuri District a Rs.75 crore project to set up Refrigeration house, auction floors, and arranging refrigerated trucks, would be taken up.

The Rs.1000 crore Sterlite Industries Copper Refinery has already commenced production at Tuticorin. I wish to recall the objections to this factory raised by some sections of population there and the remedial measures taken at the instance of this Government. We want the factory to function, providing employment and production of goods. At the same time, the people at Tuticorin and the environment should not get affected by the effluents coming out of the factory; the fishermen also should not suffer. Now, I understand that all the problems have been sorted out, proper effluent treatment arrangements have been implemented and that no effluent at all is being let out into the sea. Let both the industry and the environment flourish.

In Manali, a Rs.50 crore bulk drug intermediates factory would be set up.

TANCEM (Tamil Nadu Cements Corporation Ltd.,) has planned to set up at Vridhachalam a Rs.1.4 crore project, to produce 1920 tonnes of high grade Alumina refractory bricks per annum.

Our Honourable Members Mani and Moses made special reference to the Kaniyakumari Rubber Factory and wondered how they would be able to return home and face the people there. You may go home confidently. I, too, am trying hard to somehow bring the rubber factory there. But, the time limit set for it goes on stretching, perhaps because we are speaking about the elastic rubber! However, this year, I shall make earnest attempts; that will be my first priority, let me tell the people and members of Kaniyakumari District.

In the same vein, Tmt. Kanchana Kamalanathan complained that I was giving away largesses only for the people in the first row and that she was getting bypassed as she was sitting behind. I can console her and assure her that though she may be sitting behind, her demands would not be pushed behind. She can go with the hope and confidence that a mango juice plant will come up in Krishnagiri.

Now, let me conclude my speech congratulating and thanking the Honourable Members who participated in the discussions giving their valuable comments and views; Let me request all the members to withdraw their cut-motions and vote the amount required under this demand.

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